

# **The U.S. Weight Loss and Diet Control Market** **(A Market Research Analysis)**

**- February 2019 -**

## **Table of Contents**

	<b>Page</b>
<b><u>Introduction, Scope, Methodology</u></b>	<b>5</b>
<b><u>Executive Overview</u></b>	<b>11</b>
<ul style="list-style-type: none"><li>- Discussion of diet market mega-trends: shift from diet products to services, medical programs lose ground, what's wrong with commercial chains, importance of counselors, franchising pros &amp; cons, consumer clean eating &amp; high protein trend, performance in a recession,</li><li>- Outlook/results of interviews with 3 top diet companies</li><li>- Outlook for new 2019 diet season, discussion of rise of MLM firms, DIY trends, company programs, competition from apps, advertising strategies</li><li>- Summary of major market developments &amp; trends of 2017-2018</li><li>- \$ size of market and its 12 segments, forecasted 2019-2023 growth rates for segments</li><li>- <b>Market Segment Outlooks</b> for 2017-2018, 2019, 2023: commercial chains, diet soft drinks &amp; artificial sweeteners, low-cal foods, meal replacements &amp; appetite suppressants mkt., medical weight loss programs (hospitals &amp; clinics, bariatric surgery, Rx diet drugs), diet books &amp; DVDs market.</li></ul>	
<b>Tables:</b>	
<ul style="list-style-type: none"><li>- Historical market revenues \$ size, by segment: 1989-2018</li><li>- Revenues of top commercial chains: 2009-2018</li><li>- Diet soft drink sales: 1989-2023 F</li><li>- Revenues of health clubs industry: 1993-2023 F</li><li>- No. of bariatric surgeries in the U.S. – 1992-2023 F</li><li>- Value of meal replacements and OTC diet pills sales: 2005-2023 F</li></ul>	
<b>Highlights of ALL study chapters contained in the Overview</b>	
<b><u>Dieter Demographics</u></b>	<b>49</b>
<ul style="list-style-type: none"><li>- Scope of the American obesity epidemic, number/percent obese or overweight, latest CDC data, obesity rates by state, recent dieter trends (shift to do-it-yourself methods during last recession), ranking of top diet programs by U.S. News &amp; World Report - 2019</li><li>- Discussion: how many Americans diet, how often, why diets fail, methods used</li><li>- Dieter actions don't match intentions: survey results, the January diet surge</li><li>- To healthy eating trends – predictions, top 10 diet types used by consumers</li><li>- Typical dieter profile, by age, sex, income – number of diet attempts per year</li><li>- Number of dieters by method used, no. of dieters by type plan (2016)</li><li>- Dieter profiles by: BMI, budget, starting weight, preferred diet program location, type food desired, previous diet plans used, readiness, exercise plan desired, % needing psychological support, % with special foods needs (<b>BestDietForMe.com</b> – 2005-2012 data)</li><li>- Analysis of current &amp; historical dieting trends, 12-year shifts in dieting methods</li></ul>	
<b><u>The Millennials Dilemma:</u> Definition and no. of Millennials, characteristics and suggestions for how diet companies can reach them (income levels, jobs, preferences)</b>	

### Findings of Dieter Surveys/profiles by:

- Calorie Control Council, no. of U.S. dieters & low-cal food/beverage users, top dieting methods used, low-cal food/beverage usage by kind, diet attempts
- Table: State/regional obesity statistics: % of population, 1991-2017

## **American Exercise Trends, Health Clubs & Weight Loss Programs**

77

- Status Report of U.S. Health Clubs Industry - no. of facilities, type clubs, number of club members, recent trends, Industry receipts: 1993-2023 F, characteristics of club members, drop-out rates, members by type club, estd. share of clubs with diet programs. (IHRSA)
- ASCM's top fitness trends for 2019
- 15 top participant sports -(NSGA), % chg. In participation
- Most popular women's sports: types of exercise equipment, home exercise trends
- How women keep fit, most popular types of exercise equip. used, general trends in exercise, home exercise and gyms.
- Health clubs' involvement with weight loss, % with programs, using clubs as weight loss method, samples/costs of typical diet programs offered by health clubs (Think Light plan).
- Reasons why health clubs' weight loss programs fail, programs vary greatly in price & content-consultants' analysis, private label wt. loss programs (A. Rothafel)

**Company Profiles: Curves, 24 Hour Fitness** - their weight loss programs.

## **Commercial Weight Loss Chains**

106

- Summary & nature of competitors, discussion of all major developments since 2017 (no. of centers, avg. cost of major commercial plans vs. medical and self-help plans 2017-2018 segment performance, 2019 outlook, estd. revenues of leaders)
- In-depth discussion of leaders' strategies, move to wellness, Weight Watchers turnaround, success of Medifast, Profile by Sanford franchise Jenny Craig/Curves status, why medical programs lost ground, factors affecting 2019 diet season, program customization, latest hot diets
- Positive/negative factors affecting growth from 2019-2023.

### Tables:

- Avg. cost of popular diet programs (Forbes)
- No. of center locations, by company: 2008-2018
- Revenues of the leading commercial chains: 2015-2018
- Historical table of segment revenues/growth from 1989-2023 F
- Census Bureau snapshot of the industry: 1997, 2002, 2007, 2012, key ratios, stats

### Industry Structure & Key Ratios

- 2012, 2007, 2002 industry snapshots for commercial diet centers: no. of establishments, legal form of firms, top 50 firms mkt. share, ratios by firm's receipts, top states
- Sample income statement for a typical commercial center: (expenses by type, profits)
- Avg. revenues per co.-owned/franchised center for Jenny Craig & LA Weight Loss
- Avg. costs to acquire new customers
- What commercial centers have in common, expansion of 1980s/contraction of 1990s 1982-88 diet franchise avg. revenues per unit, no. of centers/sites operated by top chains.
- **Franchising:** status of, use as growth strategy, investment costs, profiles of Wt. Watchers, Jenny Craig franchises, why franchising may be less viable today.

Census Bureau Operating Ratios: 2012, 2007, 2002 (Commercial diet centers/services) (no. of estab., firms, receipts, receipts per estab., payroll as % sales, etc.)

## Tables

- Industry snapshot: no. of establs., receipts, avg. per estab. & employee, payroll as % sales, etc.
- Employee sales/payroll productivity
- Establishments, by legal form (corporations, partnerships, sole proprietors)
- Market share for largest 4, 8, 20, 50 firms
- Ratios, by single vs. multi-unit firms
- Ratios, by receipts size of firms & establishments
- No. of diet centers, by state & region, avg. receipts per estab. By state
- No. of diet centers, by state, ranked by sales and avg. receipts per establishment
- 2016 no. of establs. payroll, estd. receipts, by state, ranked (County Business Patterns)

## Other Tables:

- No. of U.S. weight control services (1991-2015)
- Number of commercial centers (2007, 2008, 2010, 2012, 2014, 2016, 2018- top chains)

**Company profiles:** in-depth company history, current status, how programs work, costs, franchise systems, 2009-2016 & historical revenues, new programs, strategies, address/website):

- \* **Weight Watchers International**
- \* **Jenny Craig**
- \* **NutriSystem**
- \* **Medifast**
- \* **Metabolic Research Centers**
- \* **Profile by Sanford**
- \* **Slimgenics**
- \* **Quick Weight Loss Centers**

## **The Diet Soft Drinks & Artificial Sweeteners, Diet Food Markets**

**222**

### The Diet Soft Drinks Market

- Status Report 2018, why the slump continues, diet soft drinks as % total soft drinks, mkt. nature and historical growth, forecasts, demographics of consumers, diet's share of all carbonated soft drinks (Beverage Industry, Beverage Digest),
- Total soft drink retail \$ sales, diet share of gallons/retail sales: 1989-2018, 2018-2023 forecast
- 1989-2023 F diet soft drink \$ sales
- Table: Demographics of diet soft drink consumers, historical nature of the market.

### The Artificial Sweeteners Market

- Status Report of the mkt., new high intensity sweeteners emerging, Stevia, Sucralose, Splenda, consumer trend to avoid artificial ingredients, data from Calorie Control Council regarding use by consumers
- Sweeteners by end use (% for soft drinks vs. **tabletop sweeteners** mkt.)
- Description of major types (Aspartame, Neotame, Saccharin, Sucralose, Stevia, Acesulfame)
- Market size & growth, historical sales 1991-2018 performance, 2023 forecasts.

### Low-cal Frozen Diet Entrees & Low-cal Foods Market

- Mkt. Status Report, definition of "diet" foods, discussion of dinner entrees, the major brands, Consumers shift to fresh foods away from frozen, actions by food industry to spur sales
- Actions taken by producers to revitalize sales, packaging, new formulations, etc.
- Marketdata mkt. size estimates for 1994 to 2023 F
- Outlook and sales estim. For 2013-2018 \$ volume for Lean Cuisine, Smart Ones, Healthy Choice
- Low-cal "**diet**" **dinner entrees mkt.** size: Healthy Choice, Wt. Watchers, Lean Cuisine retail sales, brands outlooks in 2015-2018

### Company Profile: **Atkins Nutritionals**

- Definition/nature of meal replacements vs. over-the-counter (OTC) diet pills, ingredients being used today, new herbal products: coffee bean extract, HCG drops
- History/nature of mkt. - cyclical shifts from mid-1980s
- **User demographics:** no. and % of dieters using diet pills and meal replacements (Consumer Reports, Bestdietforme.com surveys: 2005-2012 data).
- 2018 Status Report of the market: estd. channel sales (diet pills, meal replace.), findings of Nutrition Business Journal (NBJ) research, top meal replacements brands sales
- Why growth outlook is strong for meal replacements, preferred by MDs, MLMs, commercial chains, why OTC diet pills mkt. still struggles for legitimacy
- Regulatory actions, FTC fines marketers, effect/warning on touting "miracle" products for weight loss, Hydroxycut's fall
- Marketdata discussion of traditional/nontraditional distribution channels
- **Mkt. size/growth:** true size of the mkt. - why estimates differ widely
- NBJ estimates of diet pill & meal replacements \$ and % sales, by distribution channels, discussion of multilevel firms (Advocare, Shaklee, Herbalife, Quixtar, Nu-Skin, EAS, Atkins)
- Marketdata estimates of growth for diet pills & meal replacements 2018-2023, demand factors.
- Discussion of the acquisition of Slim-Fast by Glanbia.

**Tables:**

- Marketdata estimates of OTC diet pills, meal replacements, combined sales - 1981-2023 F
- Discussion of 2017-2018 market performance, 2019 outlook, 2023 forecasts
- Top OTC diet pill brand sales in 2007, 2010, 2011, 2013, 2015
- Top MLM companies' sales of meal replacements: 2017.

Company profiles: **Slim-Fast, Herbalife, Visalis Life Sciences, Isagenix, Advocare** (revenues, strategies, product lines, marketing, effect on other MLMs rapid rise and fall of Visalis)

**Medically-Supervised Weight Loss Programs****313****Hospital & Clinic Chains Weight Loss Programs****313**

- Types of plans offered (low-cost, moderate-cost plans, estd. no. of hospitals providing each, typical cost), Medicare new coverage
  - Interviews with management at HMR, Medi-Weightloss companies.
  - Physician-based diet programs: diet drugs/other methods used, consumer attitudes, limitations, estd. no. MDs with a weight loss program – independents vs. affiliated with chains, meds used, typical cost of MD programs
  - How **Obamacare** has provided a game-changing opportunity for MDs to add weight loss & counseling services via PAs, RDs, Nurses, why they haven't embraced it yet
  - Profiles of a hospital-based weight loss program: Johns Hopkins
- Major Medical Chains: **Company Profiles**

**Lindora Clinics, Centers for Medical Weight Loss, Smart for Life, Medi-Weightloss Clinics, Medical Weight Loss of Michigan, new chains: Nuviva, Dr. G's, Let's Lose, JumpstartMD, Ideal Protein** (in-depth descriptions, plan costs, estimated revenues, no. of centers, franchising growth strategies).

Tables: Avg. revenues per site, avg. plan cost to patient, avg. income statement, start-up Costs for top 8 medical weight loss chains/franchises/licensors.

## **Bariatrician Programs**

359

- status report of profession, ASBP survey results (MDs by: age, income, size practice), how they're trained, number practicing, certification by ASBP, use of diet drugs, treatment methods used, plan effectiveness/cost, business is up due to more surgeries, less surgeries – opinions of industry consultant.

## **The Weight Loss (bariatric) Surgery Market**

368

- Discussion of sleeve, gastric bypass, lapband procedures, why demand grew strongly to 2007, status report & interview, 2018 estimated surgeries, 2019 & 2023 forecasts, costs per surgery by type payor, pros/cons, who qualifies, **effect of Obamacare** on coverage by 25 state exchanges
- Surgery utilization and outcomes, mean cost per surgery
- Major insurers' coverage today, status report, Medicare position, role of liaison firms (The Wish Centers, Barix Clinics, Liv-Lite, Journey Lite - addresses), avg. cost of surgery.
- Types of surgery: Roux-en-Y, lap banding, mini-gastric bypass, sleeve, consumer pros/cons

Table: No. of bariatric surgeries performed: 1992-2018

Table: \$ value of the market: 1992-2023 F, outlook under Obamacare

- Associations: ASBS, Obesity Action Coalition, increased lobbying efforts.

## **VLCD/LCD Fasting Supplement Programs**

393

- **Status report** of low-calorie modified fasting programs in 2018, effect of bariatric surgeries, outlooks by mgmt. at HMR, strong demand from hospitals for turkey programs characterizing the mkt. (price, programs, no. of sites, increased direct-to-customer sales)
- Historical nature of market - development from 1970s-1990s, enrollments, drop-out/completion rates, problem on insurance coverage, market indicators, positive/negative trends/factors

Table: Marketdata estimates of VLCD enrollments for 1995-2018 (new vs. repeat patients, fasting vs. maintenance), \$ value of mkt. for 1984-2023 F.

Company Profiles: Detailed descriptions of companies/plans, program revenues:

**Health Management Resources, Optifast** (Nestle)

Table: VLCD enrollments, \$ mkt. value: Marketdata estimates: 2007-2018.

## **The Diet Drugs Market**

415

- Discussion of viewing obesity as a disease, major obesity medications used today, FDA position, role of MDs, commercial chains' involvement with diet drugs, why it's tougher than thought to develop anti-obesity drugs that are effective and with minimal side effects.
- Status Report: Contrave, Qsymia & Belviq sales, FDA rejections of: Acomplia, Taranabant, other Rx diet drugs
- New obesity drugs in development: Saxenda, Beloranib, Mirabegron – timeline for approval
- Existing drugs used (Xenical, Phentermine) - descriptions

Tables - prescriptions written and \$ sales for: Meridia, Xenical, Phentermine, 12 other anti-obesity drugs (2003-2016), historical sales 1995-2000

- Marketdata's 2019 and 2023 outlooks for prescription diet drugs, effect of new drugs on mkt. Size, discussion of this market's potential vs. drawbacks, overcoming MD and consumer Attitudes, side effects, effectiveness. Moderate weight loss not enough for most dieters.

## **The Diet Books & Exercise DVDs Market**

**439**

- Diet books – nature of the mkt., new 2017 & 2018 diet books, buyer demographics, what makes Bestsellers, book buyer demographics, recent titles
- Exercise DVDs & streaming services mkt., summary, top names in the field, categories, top distributors, mkt. size
- Marketdata estimates of combined diet books/exercise DVDs mkts. For 2017, 2018  
Outlooks and rationale, popularity as DIY method.

Table: \$ sales of diet books & exercise DVDs: 1989-2023 F

### **Company Profile: Beach Body**

## **Reference Directory of Weight Loss Information Sources**

**457**

- Industry & government trade associations, journals, newsletters, magazines, consultants